Cenpatico Integrated Care STATEMENT OF FINANCIAL POSITION

AS OF: December 31, 2015

ASSETS

CURRENT ASSETS	
101 Cash (Disclose on Schedule A)	89,900,643
102 Current Investments	-
103 Accounts Receivable (net) (Disclose on Schedule A)	10,899,152
104 Notes Receivable (current portion)	-
105 Prepaid Expenses	517,054
106 Other Current Assets (Disclose on Schedule A)	424
107 Total Current Assets	101,317,273
NON CURRENT ACCETO	
NON-CURRENT ASSETS	
108 Land	-
109 Building110 Leasehold Improvements	1,640,028
111 Furniture and Equipment	2,324,986
112 Vehicles	2,024,000
113 Total Property and Equipment	3,965,014
114 Less: Accumulated Depreciation	1,496,224
115 Net Property and Equipment	2,468,790
116 Notes Receivable (net of current portion)	-
117 Performance Bond (Disclose on Schedule A)	-
118 Long Term Investments	524,385
119 Deposits	61,760
120 Other Noncurrent Assets (Disclose on Schedule A)	191,330
121 Total Noncurrent Assets	3,246,264
122 TOTAL ASSETS	104 EG2 E27
122 TOTAL ASSETS	104,563,537
LIABILITIES AND NET ASSETS/EQUITY CURRENT LIABILITIES	
201 Incurred But Not Reported Claims (Disclose on Sch. A)	25,478,257
201 Incurred But Not Reported Claims (Disclose on Sch. A)202 Reported But Unpaid Claims	25,478,257 2,695,714
·	
202 Reported But Unpaid Claims203 Payable to ADHS (Disclose on Schedule A)204 Payable to Providers	2,695,714
202 Reported But Unpaid Claims203 Payable to ADHS (Disclose on Schedule A)204 Payable to Providers205 Trade Accounts Payable	2,695,714 4,138,711 1,037,961
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 	2,695,714 4,138,711
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 	2,695,714 4,138,711 1,037,961
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 	2,695,714 4,138,711 1,037,961
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 	2,695,714 4,138,711 1,037,961 - 27,153 - -
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 	2,695,714 4,138,711 1,037,961 - 27,153 - - - 4,682,927
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 	2,695,714 4,138,711 1,037,961 - 27,153 - -
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 	2,695,714 4,138,711 1,037,961 - 27,153 - - - 4,682,927
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities 	2,695,714 4,138,711 1,037,961 - 27,153 - - - 4,682,927
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities NON-CURRENT LIABILITIES 	2,695,714 4,138,711 1,037,961 - 27,153 - - - 4,682,927
 202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities NON-CURRENT LIABILITIES 212 Long-term debt (net of current portion) 	2,695,714 4,138,711 1,037,961 - 27,153 4,682,927 38,060,723
202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities NON-CURRENT LIABILITIES 212 Long-term debt (net of current portion) 213 Loss Contingencies (Disclose on Schedule A)	2,695,714 4,138,711 1,037,961 - 27,153 4,682,927 38,060,723
202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities NON-CURRENT LIABILITIES 212 Long-term debt (net of current portion) 213 Loss Contingencies (Disclose on Schedule A) 214 Other Noncurrent Liabilities (Disclose on Schedule A) 215 Total Noncurrent Liabilities	2,695,714 4,138,711 1,037,961 - 27,153 4,682,927 38,060,723
202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities NON-CURRENT LIABILITIES 212 Long-term debt (net of current portion) 213 Loss Contingencies (Disclose on Schedule A) 214 Other Noncurrent Liabilities 216 TOTAL LIABILITIES	2,695,714 4,138,711 1,037,961 - 27,153 4,682,927 38,060,723
202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities NON-CURRENT LIABILITIES 212 Long-term debt (net of current portion) 213 Loss Contingencies (Disclose on Schedule A) 214 Other Noncurrent Liabilities (Disclose on Schedule A) 215 Total Noncurrent Liabilities 216 TOTAL LIABILITIES 217 NET ASSETS/EQUITY	2,695,714 4,138,711 1,037,961 - 27,153 4,682,927 38,060,723 - 44,943 44,943 38,105,666
202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities NON-CURRENT LIABILITIES 212 Long-term debt (net of current portion) 213 Loss Contingencies (Disclose on Schedule A) 214 Other Noncurrent Liabilities (Disclose on Schedule A) 215 Total Noncurrent Liabilities 216 TOTAL LIABILITIES 217 NET ASSETS/EQUITY Unrestricted Net Assets	2,695,714 4,138,711 1,037,961 - 27,153 4,682,927 38,060,723
202 Reported But Unpaid Claims 203 Payable to ADHS (Disclose on Schedule A) 204 Payable to Providers 205 Trade Accounts Payable 206 Accrued Salaries and Benefits 207 Long-term Debt (current portion) 208 Deferred Revenue (Disclose on Schedule A) 209 Risk Pool Payable 210 Other Current Liabilities (Disclose on Schedule A) 211 Total Current Liabilities NON-CURRENT LIABILITIES 212 Long-term debt (net of current portion) 213 Loss Contingencies (Disclose on Schedule A) 214 Other Noncurrent Liabilities (Disclose on Schedule A) 215 Total Noncurrent Liabilities 216 TOTAL LIABILITIES 217 NET ASSETS/EQUITY	2,695,714 4,138,711 1,037,961 - 27,153 4,682,927 38,060,723 - 44,943 44,943 38,105,666

Cenpatico Integrated Care
STATEMENT OF FINANCIAL POSITION

Schedule A Disclosure

December 31, 2015

ASSETS: LIABILITIES: IBNR Claims Estimate Cash Unrestricted 89,900,643 Current Year 25,478,257 Restricted Prior Year Total Cash 89,900,643 Accounts Receivable (Detail of Line 103) Total IBNR 25,478,257 ADHS Program ID Category ID Payable to ADHS (Detail of Line 203) Current Year MHBG SED Accrued revenue 111,082 Program ID Category ID Accrued revenue Accrued revenue MHBG SMI 14,895 1,319,214 Current Year NTXIX/XXI Other TXIX/XXI CMDP Child Liquor Fees 3.494 Other 16.787 County
Other Federal Pima County IGA State Youth Grant 247,911 66,935 TXIX/XXI Non CMDP Child TXIX/XXI SMI Non Integrated TXIX/XXI GMH/SA Non Dual Other* Other* 16,390 145,201 Other* 3.960.333 Prior Year Prior Year Non-ADHS &/or Unrelated Business Total Payable to ADHS 4,138,711 Program ID Category ID Current Period Pharmacy Rebate Receivable 96,260 Deferred Revenue from: (Detail of Line 208) 9,039,362 Provider Receivable Prior Year Category ID ADHS Current Year Total Accounts Receivable 10,899,152 Prior Year Non-ADHS &/or Unrelated Business Other Current Assets (Detail of Line 106)

Accrued Interest Income
Short-Term Deferred Taxes Current Year Due from Affiliates Prior Year Total Other Current Assets 424 Total Deferred Revenue Other Current Liabilities (Detail of Line 210) Other Noncurrent Assets (Detail of Line 120) 191.330 Long-term deferred taxes Professional Services Marketing/Adertising 206,039 6,502 Charitable Contributions/Sponsorships Community Reinvestment 990 335,000 191,330 **Total Other Noncurrent Assets** Reinsurance payables 156,180 Overhead Interpreter/Translation Services 1.830 <u>Payables to ADHS - Other* Category</u>
Disclose items recorded as "Other" in the category for Payable to ADHS Section Other Operating Expenses
Due to Affiliates
Income Tax Payable 16,905 2,449,948 1,467,548 Revenue adjustments as a result of change in eligibles **Total Other Current Liabilities** 4,682,927 Loss Contingencies (Detail of Line 213) Identify Loss Contingencies **Total Loss Contingencies** Other Noncurrent Liabilities (Detail of Line 214) Accrued Income Tax Tenant Improvements 44,943 **Total Other Noncurrent Liabilities** 44,943 Restricted Net Assets (Detail of Line 217) **Total Restricted Net Assets**

Cenpatico Integrated Care STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF : December 31, 2015

	Beginning Balance:	October 1, 2015	
*	ADHS Net Surplus / Net Earning	for the period ended:	December 31, 2015
	Other Comprehensive Income:		
	Unrealized Gains (Losses) on S	Securities	
	Dividends Paid		
**	Prior Period Adjustments		
	Ending Balance:	December 31, 2015	
	-		

^{*} Net of Dividends Paid

			Net Assets /	Unrealized	
		Additional	Retained	Gains (Losses)	
	Initial Capital	Capital	Earnings	on Securities	Total
	10,906,308	53,500,000	(3,621,453)	235	60,785,091
			5,673,873		5,673,873
					-
				(1,093)	(1,093)
					-
					-
_					
	10,906,308	53,500,000	2,052,420	(857)	66,457,871

^{**} Disclosure of Prior Period Adjustments

*DISCLOSE ON SCHEDULE A

		TXIX/XXI Non CMDP Child	TXIX/XXI CMDP Child	TXIX/XXI DD Child	TXIX/XXI GMH/SA Non Dual	TXIX/XXI DD Adult	TXIX/XXI SMI Integrated	TXIX/XXI SMI Non Integrated	NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	Supported Housing for TXIX SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR/ ADOH	Sub-Total	Mgmt & Gen	Total
REVEN 401	UE Revenue Under ADHS Contract ADHS Revenue	29,863,424	14.027.403	1,580,242	40.045.287	1.808.538	60.678.913	1.468.026	1.188.456	4,377,204	15.969	501.906		488.147	279,599	2.777.621	66,935	743,734	1,200	159,912,603		159,912,603
a b 402	Reconciliation Settlement/Profit Risk Adjustment Specialty & Other Grants*	29,863,424	14,027,403	1,580,242	40,045,287	1,000,038	616,670,00	1,468,026	1,188,436	4,377,204	15,969	501,906	•	400,147	279,599	22.500	66,935	743,734	163.161	185.661		185,661
403 404	Interest/Investment Income Reserved for Future Use															22,300			100,101	-	22,482	22,482
490	TOTAL REVENUE	29,863,424	14,027,403	1,580,242	40,045,287	1,808,538	60,678,913	1,468,026	1,188,456	4,377,204	15,969	501,906	-	488,147	279,599	2,800,121	66,935	743,734	164,361	160,098,264	22,482	160,120,746
EXPEN	SES Expenses:																					
501	Treatment Services																					
а	Counseling Counseling, Individual	1,402,648	953,845	38,829	1,074,555	43,762	552,283	21,743						44,466	103,755	38,078				4,273,964		4,273,964
	2 Counseling, Family 3 Counseling, Group	582,408 403,979	289,325 97,447	34,149 26,472	38,464 1,468,941	6,268 549	24,669 458,703	18,737		:	:	:		22,171 1,087	1,302 44,852 4,962	146 188,617				999,908 2,709,383		999,908 2,709,383
b c	Assessment, Evaluation and Screening Other Professional	1,744,105	1,439,330	128,940	1,316,397	98,679	872,405	35,701		211,006	:			24,948		77,230				5,953,703		5,953,703
d 502	Total Treatment Services Rehabilitation Services	4,133,139	2,779,947	228,390	3,898,357	149,258	1,908,059	77,188		211,006		-		92,672	154,871	304,072			-	13,936,958	-	13,936,958
a	Living Skills Training Cognitive Rehabilitation	2,289,880	826,690	212,748	2,321,475	26,395	2,247,908	92,141		223,746				41,724	3,105	293,463				8,579,275		8,579,275
c	Health Promotion Supported Employment Services	960,599 9.548	180,103 694	42,832	293,572 855,417	100,970 36,972	1,198,470 796,762	49,125 32,659		264,696 66,711		-		4,376 1,977	354	5,657 62,567				3,100,400 1,863,661		3,100,400 1,863,661
e	Total Rehabilitation Services	3,260,027	1,007,487	255,580	3,470,465	164,336	4,243,140	173,925		555,153				48,078	3,459	361,686	-			13,543,336	-	13,543,336
503 a	Medical Services Medication Services				437,998		317,483	13,014		25,094						79,621				873,211		873,211
b c	Medical Management Laboratory, Radiology & Medical Imaging	370,931 44,341	69,719 767	55,425 3,295	658,445 438,393	129,654 9,307	788,011 100,420	32,300 2,702		160,613 191	:	:	- :	- 521	8,033	26,970 26,386				2,300,100 626,322		2,300,100 626,322
d e	Electro-Convulsive Therapy Total Medical Services	415,271	70,486	58,720	1,534,836	138,961	1,205,914	48,016		185,898				521	8,033	132,977				3,799,633		3,799,633
504	Support Services Case Management	4.099.208	2.736.828	336,261	2.796.192	571,024	4.660.287	190.734		913.498				142.251	44,296	112.014				16.602.594		16.602.594
b	Personal Care Services	2,438	1,774	72	1,089,539	3.978	187,546	7,687		5,728				33	- 44,230	464,755				1,759,574		1,759,574
d d	Family Support Peer Support	984,910 294,867	556,524 67,201	96,703 1,326	4,182 1,275,855	98,961	2,210 1,930,305	91 79,123		1,212 367,464	- :			21,876 42,043		1,309 92,383				4,249,529		4,249,529
e f	Home Care Training to Home Care Client Unskilled Respite Care	268,408 1,039,982	888,915 510,873	20,535	10,215		120,650 48,987	3,212 2,008			:			:						1,281,185 1,632,599		1,281,185 1,632,599
q h	Supported Housing* Flex Fund Services	:	:	:	:	:	:	:		395,386		461,754		:						857,139		857,139
i	Transportation Total Support Services	2,488,822 9,178,635	761,694 5,523,809	118,426 573,322	2,229,588 7,405,572	188,230 862,193	3,528,360 10,478,344	142,154 425,008		781,876 2,465,164		461,754		83,436 289,640	36,280 80,576	127,573 798,035				10,486,439 38,542,053		10,486,439 38,542,053
505	Crisis Intervention Services Crisis Intervention - Mobile	1,440,570	354,376	15,468	2.564.039	80,270	2,410,273	25	897,357	53,157						153,879				7,969,412		7,969,412
a b	Crisis Intervention - Stabilization	1,083	8,905		58,097	19.589	29,932	797	1,657 181,714		14,104			:		153,879	:	656,866		771,440		771,440
d d	Crisis Intervention - Telephone Total Crisis Intervention Services	398,656 1,840,308	176,653 539,934	632 16,100	1,284,630 3,906,766	19,589	1,032,376 3,472,581	822	1,080,728	2,560 55,717	14,104	-	-	.		153,879	.	656,866		3,096,809 11,837,661	-	3,096,809 11,837,661
506 a	Inpatient Services Hospital																					
	Psychiatric (Provider Types 02 & 71) Detoxification (Provider Types 02 & 71)	3,811,206	198,418	:	7,867,480 1,062,929		3,763,469 391,606	100,187 10.425												15,740,760 1,464,960		15,740,760 1,464,960
b	Sub acute Facility 1 Psychiatric (Provider Types B5 & B6)	16,330			1,199,564	34,992	2,814,870													4,140,690		4,140,690
	Detoxification (Provider Types B5 & B6) Residential Treatment Center (RTC)	-		-	617,074	-	64,314	1,712												683,100		683,100
	Psychiatric - Secure & Non-Secure Provider Types 1 78.B1.B2.B3)	582.568	796.396	113,712																1,492,676		1,492,676
	Detoxification - Secure & Non-Secure (Provider Types	382,368	790,390	113,712																1,492,076		1,492,076
d	2 (78,B1,B2,B3) Inpatient Services, Professional	244,957	5,276	:	- 472,401	3,100	498,007	13,257												1,237,000		1,237,000
e 507	Total Inpatient Services Residential Services	4,655,061	1,000,089	113,712	11,219,449	38,092	7,532,266	200,517				-			-	-			-	24,759,186	-	24,759,186
a	Behavioral Health Residential Facilities Reserved for Future Use	510,671	1,253,766	-	1,179,738		4,279,422	113,923								65,809				7,403,329		7,403,329
c	Room and Board Total Residential Services	510,671	1,253,766		1,179,738		4,279,422	113,923								30,407 96,216				30,407 7,433,736		30,407 7,433,736
508	Behavioral Health Day Program	310,071	1,233,760													90,210						
a b	Supervised Day Program Therapeutic Day Program	:	:	:	3,569	:	13,375 144	548 6												17,492 150		17,492 150
c d	Medical Day Program Total Behavioral Health Day Program	8	- :	-	3.569		13,518	554												8 17,650		17,650
509	Prevention Services	_			-,		,															
a b	Prevention HIV															508,143 89,174				508,143 89,174		508,143 89,174
510	Total Prevention Services Pharmacy Expenses															597,316				597,317		597,317
a	Pharmacy Expense Less Pharmacy Rebate Received	2,406,417 (18,086)	216,048 (1,239)	150,790 (987)	2,779,841 (11,184)	145,455 (648)	3,734,174 (24,970)		12,682	555,787 (1.697)						8,469 8				10,267,025 (59,676)		10,267,025 (59.676)
C	Pharmacy Rebate Related Expense															_						
d 511	Total Pharmacy Expense Other ADHS Service Expenses Not Rpt'd Above*	2,388,331 2,656	214,809 710	149,803 122	2,768,657 4,020	144,807 194	3,709,204 58,455	256,519 56	12,651	554,091			-	224		8,477 565	61,580		1,200	10,207,349 129,782	•	10,207,349 129,782
512 513	BH FQHC/RHC Services	26,384,107	12,391,037	1,395,749	35,391,429	1,597,699	36,900,903	1,296,528	1.093.379	4,027,029	14.104	461,754		431,135	246,939	2.453.223	61.580	656.866	1.200	124.804.661		124,804,661
520	Subtotal Behavioral Health Service Expenses Specialty and Other Grant Expenses*						,,		,,		, -					,		,	163,161	163,161		163,161
540 580	Total Behavioral Health Services Expense Total Physical Health Services Expense	26,384,107	12,391,037	1,395,749	35,391,429	1,597,699	36,900,903 16,691,648		1,093,379	4,027,029	14,104	461,754	-	431,135	246,939	2,453,223	61,580	656,866	164,361	124,967,822 16,691,648	-	124,967,822 16,691,648
585 588	Total BH and PH Service Expense Less: Reinsurance	26,384,107	12,391,037	1,395,749	35,391,429	1,597,699	53,592,551	1,296,528	1,093,379	4,027,029	14,104	461,754	-	431,135	246,939	2,453,223	61,580	656,866	164,361	141,659,470	-	141,659,470
589 590	Less: Third Party Liability Net Total Service Expense	26,384,107	12.391.037	1,395,749	35,391,429	1,597,699	53,592,551	1,296,528	1.093.379	4,027,029	14.104	461.754		431,135	246,939	2,453,223	61.580	656.866	164,361	141,659,470		141,659,470
			, , , , , ,						,,						32,660		5,355	86.868	104,301			
599	Gross Profit/(Loss) from Operations	3,479,317	1,636,366	184,493	4,653,858	210,839	7,086,362	171,498	95,077	350,175	1,865	40,152	-	57,012	32,660	346,898	5,355	86,868	-	18,438,794	22,482	18,461,276

*DISCLOSE ON SCHEDULE A

		TXIX/XXI Non CMDP	TXIX/XXI	TXIX/XXI	TXIX/XXI GMH/SA	TXIX/XXI	TXIX/XXI SMI	TXIX/XXI SMI	NTXIX/XXI		NTXIX/XXI	Supported Housing for	SB1616						PASRR/			
		Child	CMDP Child	DD Child	Non Dual	DD Adult	Integrated	Non Integrated	Crisis	NTXIX/XXI SMI	Other	TXIX SMI	Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	ADOH	Sub-Total	Mgmt & Gen	Total
Admini	strative Expenses:																					
601	Compensation	1,138,314	612,211	57,395	1,437,902	67,991	2,514,608	152,011	80,869	297,848	542	34,152		16,559	9,485	143,404	4,555	25,230		6,593,074		6,593,074
602	Management Fee			-	-	-	-		-			-		-	-	-	-	-		-		-
603	Professional & Outside Services	119,169	64,092	6,009	150,533	7,118	263,253	15,914			57			1,734	993	9,864		2,641		641,376		641,376
604	Interpreter/Translation Services	1,071	576	54	1,353	64	2,366	143	-		1			16	9	89		24		5,764		5,764
605	Occupancy	67,494	36,300	3,403	85,258	4,031	149,100	9,013	5,328	19,623	32	2,250		982	562	8,827	300	1,496		394,001		394,001
606	Depreciation	7,539	4,054	380	9,523	450	16,654	1,007			4			110	63	625		167		40,575		40,575
607	Care Management						465,013													465,013		465,013
608	All Other Operating Expenses not reported above*	163,520	87,945	8,245	206,570	9,767	361,230	21,881	8,880		78	3,750		2,379	1,362	18,936	500	3,624		931,373		931,373
610	Subtotal Administrative Expenses	1,497,108	805,179	75,485	1,891,138	89,422	3,772,223	199,969	95,076	350,176	712	40,152	-	21,778	12,474	181,745	5,355	33,182	-	9,071,176		9,071,176
650	Encounter Evaluation Sanctions*																					
651	Administrative Expenses from Specialty and Other Grants*															22,500			8,303	30,803		30,803
690	Total Administrative Expense	1,497,108	805,179	75,485	1,891,138	89,422	3,772,223	199,969	95,076	350,176	712	40,152	-	21,778	12,474	204,245	5,355	33,182	8,303	9,101,979	-	9,101,979
700 710	Profit (Loss) from Operations Profit (Loss) from Other, Non-ADHS, Non-Operating &	1,982,209	831,187	109,008	2,762,720	121,417	3,314,139	(28,471)	1	(1)	1,153	-		35,234	20,186	142,653		53,686	(8,303)	9,336,818	22,482	9,359,300
	Unrelated Business*	2.640			7.720			5.640												16,000	(335,000)	(319,000)
720	Net Pre-Tax Profit/(Loss)	1,984,849	831,187	109,008	2,770,440	121,417	3,314,139	(22,831)	1	(1)	1,153	-		35,234	20,186	142,653		53,686	(8,303)	9,352,818	(312,518)	9,040,300
750	Income Tax																					
, J0	ADHS Income Tax	738.135	309,517	40,592	1,028,782	45,213	1,234,119	(10,602)	0	(0)	429			13.120	7.517	53.121	(0)	19,992		3,479,936		3,479,936
b	Non ADHS Income Tax	983		-10,532	2.875	40,210	1,234,113	2.100	-	- (0)	423			13,120	7,517	33,121	- (0)	. 0,002	(3.092)	2.866	(116,375)	(113,509)
799	Total Income Taxes	739,118	309,517	40,592	1,031,657	45,213	1,234,119	(8,502)			429			13,120	7,517	53,121		19,992	(3,092)	3,482,802	(116,375)	3,366,427
800	Net After-Tax Profit/(Loss)	1,245,731	521.670	68,416	1.738.783	76.204	2,080,020	(14.329)		(4)	724			22,114	12.669	89,532		33.694	(5.211)	5.870.016	(196,143)	5,673,873

*Disclose on Schedule A

Physical Health Services

	EXPENSES	
550	Hospitalization	
a	Hospital Inpatient	2,412,000
b	Total Hospitalization	2,412,000
560	Medical Compensation	
a	Primary Care Physician	4,750,409
b	Referral Physician	211,994
С	PH FQHC/RHC Services	39,000
d	Other Professional	109,171
e	Total Medical Compensation	5,110,574
570	Other Medical Expenses	
а	Emergency Facility Services	539,652
b	Pharmacy	5,460,652
С	less: Pharmacy Rebates	(36,584
d	Lab. X-ray, & Medical Imaging	305.047
е	Outpatient Facility	162,000
f	Durable Medical Equipment	1,168
g	Dental	243,953
ĥ	Transportation	2.159
i	Nursing Facility, Home Health Care	3,524
i	Physical Therapy	310
k	Value Based Purchasing Initiatives Provider Expenses	1,127,111
1	Miscellaneous Medical Expenses	1,360,083
m	Total Other Medical Expenses	9,169,074
580	Total Physical Health Services Expense	16,691,648
		

December 31, 2015

Second Control Contr	Stedule A Disclosure																				
Part					GMH/SA							Housing for		MHRG SED	MHRG SMI	SARG	Other Federal	County		Sub-Total Momt &	Gen T
Marchine of Profession Associated Professi	DISCLOSURE OF NTXIX/XXI OTHER and OTHER FEDERAL ADHS REVENUE Liquor Fees						g											,		\$15,969	\$
Marche M	al - NTXIX/XXI Other and OTHER FEDERAL Column										15.969			<u> </u>						\$0	
Manual Properties 1988 1989 1																				.,	
SECURISE OF PROPERTY DOUGHAN ON REPORT DO NOT SECURITY OF PROPERTY DOUGHAN ON REPORT DO NOT SECURITY DOUGHAN ON REPORT D	DISCLOSURE UP SPECIAL IT AND OTHER GRANTS REPORTED ON LINE 402 SAPT Prevention - assistant Bridge Subsidy Program															22,500			163,161	163,161	1
Security	other Grants				_											22,500			163,161	•	-
Magnetia Hooking	DISLOSURE OF SUPPORTED HOUSING ON REPORTED ON																				
Model Moding 1	.INE 504g									005 000		101 751								057.400	
SCUCIONAR OF CHATCH SERVICES AND NA ACRES ***CHATCH CHARGE PRINTING NUMBERS** ***CHARGE PRINTI	nt Subsidy									395,386		461,/54								857,139	
SCUCIONAR OF CHATCH SERVICES AND NA ACRES ***CHATCH CHARGE PRINTING NUMBERS** ***CHARGE PRINTI																					
CLOUGHE OF OTHER SERVICES ON LINE 511 CHAPTER SERVICES ON LINE 511 CHAPTER SERVICES FOR NON ACMS CLOUGH OF SERVICES FOR NON ACMS																				-	
SCORGE OF THE SERVICES ON LINE 511 CHOCKS OF OF THE SERVICES ON LINE 511 CHOCKS OF THE SERVICES FROM NON ADMS CHOCKS OF THE SERVICES FROM NON A																					
CLOUGHE OF OTHER SERVICES ON LINE 511 CHAPTER SERVICES ON LINE 511 CHAPTER SERVICES FOR NON ACMS CLOUGH OF SERVICES FOR NON ACMS																				-	
COURTING OFFINE SERVICES ON LINE 511 CHOCKEN OF ALL PINES FROM NON ACMS COURTING OFFINE SERVICES FROM NON ACMS COURTING OFF																					
Secretary 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	pported Housing		-	-	-	-	-	-	-	395,386	-	461,754	-	-	-	-		-		857,139	-
SECURIE OF EXEMPLESE FROM NOWI ADMIT SECURIT OF EXEMPLESE FROM NOWI A																					
Secretary 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	COLOCUDE OF OTHER SERVICES ON LINE 544																				
Marche	sport Fees	2,656	710	122	4,020	194	2,205	56						224	0	565				10,753	
200 110 12 4020 194 50.55 50 - 224 50.50 1500 1500 1500 1500 1500 1500 150	kages SRR Screening Services						56,250												1,200	56,250 1,200	
SUCCIONER OF SERVICES EXPENSES FROM NON ADHS OWNER EXPENSES NON MINE SOURCES OF THE SERVICES SUCCIONER OF ALL OTHER OPERATING ON LINE 698 SIGNIFICATION OF ALL OTHER OPERATION OF ALL OTHER OPERATION OF ALL OTHER OPERATION OF ALL OTHER OPERATION	ate Youth Grant	2 656	710	122	4.020	10/	58 455	56						224		565	61,580			61,580	
163.161 163.	ATTEN GET VICES	2,000	710	122	4,020	134	30,433	30						224		303	01,500		1,200	123,702	
Arrice Expenses Non ADHS Sources																					
SCLOSURE OF ALL OTHER OPERATING ON LINE 608 ***CONCRETE OPERATING ON LINE 608 **STATE OF THE OPERATING ON	ridge Subsidy Program																		163,161		
SCLOSURE OF ALL OTHER OPERATING ON LINE 608 SCLOSURE OF ALL OTHER OPERATING ON LINE 608 2,777 1,467 138 3,445 163 6,025 364 1 4 40 23 226 60 14,678 entry figures. 3,039 1,834 153 3,839 162 6,713 406 1 44 25 252 67 16,556 entry figures. 4,040 1,441																					
way & Storage 2,727 1,467 138 3,445 163 6,025 364 1 1 40 23 226 60 14,678 etto Enter Exercise Control of the Co	rvice Expenses Non ADHS Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	163,161	163,161	-
way & Storage 2,727 1,467 138 3,445 163 6,025 364 1 1 40 23 226 60 14,678 entry Exercise 13,033 1,534 153 3,839 120 6,713 406 1 1 40 23 226 67 16,536 163 163 163 163 163 163 163 163 163 1																					
serie pseume 3,039 1,834 153 3,839 182 6,713 406 1 44 25 252 67 16,366 KC lamps (812 (437) (41) (1,025) (48) (1,793) (108) (1,025) (48) (1,793) (108) (1,793) (108) (1,205)	SCLOSURE OF ALL OTHER OPERATING ON LINE 608																				
No Charges (812) (437) (41) (1,025) (48) (1,738) (108)														40							
elevalue-oppositions of the service	nk Charges	(812)	(437)	(41)	(1,025)	(48)	(1,793)	(108)			(0)				(7)	(67)		(18)		(4,369)	
Integration 18,676 10,044 942 23,591 1,116 41,256 2,494 9 272 156 1,546 414 100,151	P/EOB Processing Fees			194							2			56 34	32 19						
aineas Clafs 82 44 4 103 5 180 11 0 1 1 7 2 440 Interesh Expenses 717 386 36 906 43 1.585 96 0 10 6 59 16 3.862 Interesh Expenses 5,715 3,073 288 7,219 341 12,624 763 3 8 83 48 473 127 30,757 Interesh Expenses 9,284 4,993 468 11,727 555 20,508 1.240 4 135 77 768 206 49,985 1,726 928 87 2,180 103 3,813 230 1 1 1 3 30 17 168 45 10,918 1,726 928 87 2,180 103 3,813 230 1 1 25 14 481 271 1 1 30 17 168 45 10,918 1 25 14 443 3 38 9,920 1 2 2,563 121 4,481 271 1 1 2 30 17 168 45 10,918 1 2 5 14 443 3 38 9,920 1 2 5 14 443 3 38 9,920 1 2 5 14 443 3 38 9,920 1 2 5 14 443 3 38 9,920 1 2 5 14 443 3 38 9,920 1 2 7 90 48 0 0 5 3 3 30 8 1,124 1 2 5 14 443 3 38 9,920 1 2 7 90 48 0 0 5 3 3 30 8 1,124 1 2 7 90 48 0 0 5 3 3 30 8 1,124 1 2 7 90 48 0 0 5 3 3 30 8 1,124 1 2 7 90 48 0 0 5 3 3 30 8 1,124 1 2 7 90 48 0 0 5 5 3 30 9 8 1,124 1 2 7 90 48 0 0 5 5 3 30 9 8 1,124 1 2 7 90 48 0 0 5 5 3 30 9 8 1,124 1 2 7 90 48 0 0 5 5 3 30 9 8 1,124 1 3 9 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	nting	18,676	10,044	942	23,591	1,116	41,256	2,494			9			272	156					100,515	
Timesh Expense		37 82	20				81 180	5 11						1	0	3 7		1		197	
9,284 4,993 488 11,727 555 20,508 1,240 4 135 77 768 206 49,965		717	386		906		1,585	96			-			10	6	59		16		3,862	
Improved 1,000 1,001 1,002 2,563 121 4,481 271 1 30 17 168 45 10,918 10,		5,715	3,073											83							
In 1/26 928 87 2,180 103 3,813 230 1 25 14 143 38 9,290																					
unance Expense 42,225 22,710 2,129 53,338 2,522 93,278 5,639 20 614 352 3,495 936 227,258 every confusing Expense 1,781 958 90 2,250 106 3,934 238 1 286 1 266 15 147 39 9,586 every contained to Lake Claims 0 0 0 (0) 14 - 4 44 1 1 - 6 63 every contained to Lake Claims 63 1,736 3,085 289 7,245 343 12,670 766 3 3 88 3 48 475 127 30,689 every contained to Lake Claims 64 14,939 2,255 2,115 52,977 2,505 92,647 5,601 8,880 32,705 20 3,750 610 349 8,872 500 930 276,956 every contained to Lake Claims 64 16,520 87,945 8,245 206,570 9,767 361,230 21,881 8,880 32,705 78 3,750 - 2,379 1,362 18,936 500 3,624 - 931,373	ipment Lease	1,726	928	87	2,180	103	3,813	230			1			25	14			38			
rer Copening Expense	sc Equipment Expense																				
reset on Late Claims 0 0 (0) 14 - 4 44 1 - 1 - 63 ministrict System Expense 5,736 3,085 289 7,245 343 12,670 766 3 83 48 475 127 30,889 rest operation System Expense 41,939 22,556 2,115 52,977 2,505 92,647 5,601 8,880 32,705 20 3,750 610 349 8,872 500 930 276,956 Other Operating 163,520 87,945 8,245 206,570 9,767 361,230 21,881 8,880 32,705 78 3,750 2,379 1,362 18,936 500 3,624 931,373 - SCLOSURE OF ENCOUNTER EVALUTION SANCTIONS VALUE 650		1,781	958	90	2,250	106	3,934	238			1			26	15	147		39		9,586	
Mode operating 41,939 22,556 2,115 52,977 2,505 92,647 5,601 8,880 32,705 20 3,750 610 349 8,872 500 930 276,956	erest on Late Claims	0	0	(0)	14	-	4	44						-	-	1		-		63	
Other Operating 163,520 87,945 8.245 206,570 9,767 361,230 21,881 8,880 32,705 78 3,750 · 2,379 1,362 18,936 500 3,624 · 931,373 ·		41,939	22,556	2.115	52.977		92.647	5.601	8.880	32.705	20	3.750		610	349	8.872	500	930		276.956	
IN LINE 650 .		163,520	87,945	8,245	206,570	9,767	361,230	21,881	8,880	32,705	78	3,750	-	2,379	1,362	18,936	500	3,624	-	931,373	
ncounter Evaluation Sanctions	DISCLOSURE OF ENCOUNTER EVALUTION SANCTIONS ON LINE 650																				
counter Evaluation Sanctions																				-	
	ncounter Evaluation Sanctions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<u> </u>

December 31, 2015

	TXIX/XXI Non CMDP Chil	TXIX/XXI d CMDP Child	TXIX/XXI DD Child	TXIX/XXI GMH/SA Non Dual	TXIX/XXI DD Adult	TXIX/XXI SM Integrated	I TXIX/XXI SMI Non Integrated	NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	Supported Housing for TXIX SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR/ ADOH	Sub-Total	Mgmt & Gen	Total
DISCLOSURE OF ADMINISTRATIVE EXPENSES FROM SPECIALTY AND OTHER GRANTS ON LINE 651																					
Health insurer fee expenses SAPT Prevention - assistant Bridge Subsidy Program															22,500			8,303	22,500 8,303		22,500 8,303
Total Adm Expenses from Specialty and Other Grants		-		-	-	-		-	-	-	-		-		22,500		-	8,303	30,803		30,803
DISCLOSURE OF OTHER, NON-ADHS, NON-OPERATING AND UNRELATED BUSINESS EXPENSES LINE 710																					
Community Reinvestment Revenue from RBHA assessed Sanctions	2,64	0 0	C	7,720)	0 (5,640		0 0		0 0		0 0	0	0	0	0	0	16,000	(335,000)	(335,000) 16,000
Total Other, Non-ADHS, Non-Operating and Unrelated Business														-		-			16,000	(335,000)	(319,000)

ORGANIZATIONAL STRUCTURE

Nature of operations

Cenpatico Integrated Care (C-IC) was founded by Cenpatico Behavioral Health of Arizona, LLC (CAZ) and the University of Arizona Health Network, Health Plans Division (UAHP).
Cenpatico Behavioral Health of Arizona, LLC was the Regional Behavioral Health Authority (RBHA) for eight southern Arizona counties from 2005 through September, 2015 and UAHP was an AHCCCS health plan since 1985. We have joined forces to create C-IC with a passion and commitment to serve communities and deliver whole-person health care that is rooted in recovery, using the motto "Empowering Communities...Inspiring Hope." CAZ is a subsidiary of Centene Corporation (Centene), a national leader in integrated healthcare solutions for populations with complex needs.

Cenpatico Integrated Care is located in Tucson, Arizona and has additional offices in Tempe, Casa Grande, Yuma, and Sierra Vista, Arizona. C-IC is providing behavioral and physical healthcare for the benefit of eligible members in greater Arizona. Substantially all of C-IC 's revenues are from its contract with ADHS.

members in greater articolia. Successionally and a Commence of the Related Party transactions.

Related-party transactions

Centene, CenCorp Health Solutions and affiliated companies provide administrative and other services to Cenpatico Integrated Care, including computer systems and network functions, facilities, security, insurance needs, accounts payable and payroll processing, accounting, claims processing and other administrative financial suppor

ethics and compliance support, training and other activities. Included in general and administrative expenses is an allocation of the costs of the administrative expices provided by affiliated co

The Company contracted with NurseWise, an affiliated company wholly owned by CenCorp Health Solutions, to provide nurse triage and crisis services to eligible enrollees that are served under the ADHS contract. Cenpatico operates under a management contract with US Script, an affiliated company wholly owned by CenCorp Health Solutions, to provide pharmacy benefit management services to eligible enrollees. In addition, C-IC has contracted with Lifeshare, Dental Health and Wellness, and Opticare to provide crisis services second responder for the IDD (Intellectual and Developmental Disabilities) population, dental, and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. SummAct to a Solution Account the Policies

Management's use of estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Cash and cash equivalents

Cash includes cash deposits in banks and cash equivalents. C-IC considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Accounts at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2015, cash and cash equivalents consisted of cash and money market accounts.

Investments
As of December 31, 2015, investments consisted of restricted investment required to remain in trust by the State of Arizona, Department of Insurance of U.S. treasury notes valued at the market amount of the notes. There were no significant realized or unrealized gains or losses on the notes for two months ended December 31, 2015.

Accounts receivable

Accounts receivable are detailed in the Statement of Financial Position Schedule A and supplementary information is provided in the Provider Receivable schedule submitted to DBHS.

For behavioral health, IBNR is calculated based on Inpatient, Home Care Training to Home Care Client, and Behavioral Health Residential Facilities year-to-date authorizations plus estimated other fee-for-service expenses to be paid based on historical trend less year-to-date payments. For Physical Health, C-IC used actuarial information and the Mercy Maricopa Integrated Care trend to determine the expected IBNR. After the first 6 months, current year trends will be reviewed and adjustments will be made, if necessary. The estimates are reviewed with Medical Management and are also discussed in a cross-departmental utilization review meeting monthly. In addition the estimates are reviewed by an outside actuary on a quarterly basis.

This amount represents received but unpaid claims.

Revenue recognition

Title XIX /XXI Revenue is accrued and recognized based on the capitation rate and the number of Title XIX/XXI Arizona Health Care Cost Containment System ("AHCCCS") enrollees eligible for covered services during that month. Non-Title XIX Revenue is based on the monthly payment authorizations plus accrued revenue based on the most current allocation schedule received from DBHS.

Service Expense Allocation Methodologies by Program
Service expenses paid via block payment are allocated to the fund types (TXIX Child, TXIX CMDP, TXIX SMI, TXIX GMH/SA, TXIX DD Adult, TXIX DD Child, etc.) based on the year-to-date block payments. Within a fund type, the allocation by service line is based on the year-to-date encounter and claims data. There are a couple of exceptions related to specific NTXIX funding, such as NTXIX SMI Supported Housing, that are directly allocated to those service lines based on the DBHs allocated/approved funds and related payments yes specific services.
Service expenses paid via fee-for-service methodology (FFS) include both paid claims and estimated expenses (IBNR) and are allocated as follows:

Inpatient, Home Care Training to Home Care Client, and Behavioral Health Residential Facilities services are allocated to the applicable service line based on the authorized days and then allocated to the fund Inpatient, Home Care Training to Home Care Client, and Behavioral Health Residential Facilities services are allocated to the applicable service line based on the authorized days at types based on vear-to-date paid claims data. These service expenses also include any adjustments for prior year IBNR changes.
 Physical Health Services are allocated direct to the service line based on the estimated fee for service expenses.
 Other FFS estimated expenses (including both paid claims and IBNR) are allocated to the fund types and then service lines based on year-to-date claims paid and expected payme Pharmacy expenses are allocated to the fund types based on actual pharmacy expenses paid year-to-date. Rebates and audit recoveries are allocated based on pharmacy expenses.
 Non-encounterable services (SABG Prevention, SABG HIV, Bridge Subsidy Housing grant, etc.) are directly allocated based on actual and estimated expenses incurred year to date.

We used prior year CAZ encounter data to allocate the behavioral health expenses. For TXIX SMI integrated we used prior year TXIX SMI encounters and for XIX SMI Non-Integrated expenses for TXIX SMI encounters based on the revenue.

Expense allocation

rect and administrative expenses are incurred which benefit more than one program. Such common expenses are allocated based upon an ADHS approved cost allocation plan as submitted by ually

Income taxes

The Company accounts for income taxes using FASB ASC 740, Accounting for Income Taxes.

The Company's policy is to classify income tax penalties and interest as income tax expense in its financial statements. During two months ended December 31, 2015 C-IC incurred no penalties or interest. C-IC evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts

3. OTHER AMOUNTS

re disclosed in the Statement of Activities Schedule A.

4. PLEDGES, ASSIGNMENTS AND GUARNTEES

nts or guarantees at this ti

PERFORMANCE BONDS

The performance bond required for contract year 2016 is \$51,863,264 and was fulfilled through the purchase of a surety bond expiring on September 30, 2016. The performance bond must be maintained to guarantee payment of C-IC's obligations under the ADHS contract.

6. MATERIAL ADJUSTMENTS

7. INCURRED BUT NOT REPORTED (IBNR) CLAIMS PAYABLE ANALYSIS

IBRR is calculated monthly based on inpatient, Home Care Client, and Behavioral Health Residential Facilities year-to-date authorizations plus phisical health estimated expenses and other fee for service expenses to be paid based on historical trend, less year-to-date payments.

8. CONTINGENT LIABILITIES

e no contingent liabilities at this time.

9. EQUITY ACTIVITY

\$53.5 million of additional capital was contributed during October 2015.

10. NON-COMPLIANCE WITH FINANCIAL VIABILITY STANDARDS AND PERFORMANCE GUIDELINES

11. FLUCTUATIONS IN STATEMENT OF FINANCIAL POSTION ACCOUNTS

ior quarter (December 31, 2015 compared to September 30, 2015): ng changes in each account are greater than 5% c ions - first quarter of reporting

12. PHARMACY REBATES

KINACY INCEMBLES

we pharmacry rebates for volume-based utilization of certain medications. These rebates are recorded when earned as a reduction of program services expense. For the three months ended December 31, macy rebates (including the pharmacy audit recoveries) totaled approximately \$110,000.

13. INTEREST ON LATE CLAIMS

13. INIT EREST OF ATE CEARING
CENPATIC paid approximately 63 interest during the three months ended December 2015 for claims paid beyond standard time frames. The interest is reported on line 607 All Other Operating in the Stateme Activities and included in the Statement of Activities Schedule A under Interest on Late Claims.

14. SANCTIONS

of dby Cenpatico on providers for the year-to-date through December 2015 are \$16,000. reported on line 710 Profit (Loss) from Other, Non-ADHS, Non-Operating & Unrelated Business* in the statement of activities and disclosed in statement of activities Schedule A. Supplementary

rmation is provided in the Sanction report submitted to DBHS.

16. VALUE BASED PURCHASING INITIATIVES

C-IC has developed a Value Based Purchasing program that focuses on Inpatient Utilization, Emergency Department Utilization, Readmissions to those services, and follow-up with Behavioral Health with the Health Home for discharged members. Other incentives are available to providers for meeting certain objectives in Primary Care and for members involved in the Crisis system. The program will evolve in this contract year, and in future contract years.

17. REINSURANCE

C-IC has purchased a Reinsurance policy to limit the risk of excessive medical expenses.

18. BLOCK GRANTS

Expenses for SABG, MHBG SED and SMI funds fluctuate with utilization, producing variances when compared to the funding received. Expenses for the 2016 State Fiscal Year, for selected categories are as indicated below:

SABG Children's Expenses SFY2016- \$140,771 MAT Expenses SFY2016 -\$43,899 MHBG SED Expenses SFY2016-\$431,135 MHBG SMI Expenses SFY2016-\$246,939

19. PRIOR PERIOD ADJUSTMENTS

Cenpatico Integrated Care STATEMENT OF CASH FLOWS

CONTRACT YEAR TO DATE AS OF: December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES: Changes in Net Assets Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	5,673,873
Depreciation and Amortization Bond Amortization Net Unrealized (gains) losses on investments (Gain) loss on sale of investments (Gain) loss on sale of assets	1,455,045
(Increases)/Decreases in Assets:	(
Accounts Receivable	(8,809,435)
Notes Receivable Prepaid Assets	(01 002)
Other Assets	(81,882) (189,891)
Increases/(Decreases) in Liabilities:	
IBNR RBUC Accounts Payable to ADHS Deferred Revenue	25,478,257 2,695,714 4,138,711
Accounts Payable and Other Accrued Liabilities Due to District	863,395
Due to Affiliates, Net Other Liabilities	(4,194,853) 2,071,544
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	29,100,478
CASH FLOWS FROM INVESTING ACTIVITIES Proceeds from Sale of Property & Equipment Purchase of Property /Leasehold Improvements and Equipment Maturity of Investments Purchase/ valuation of Investments	(3,081,309) 211
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(3,081,097)
CASH FLOWS FROM FINANCING ACTIVITIES: Contributions from Member Organizations Dividends Paid Issuance of Common Stock Payment of Other Debts (Describe on Schedule A)	53,500,000
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	53,500,000
NET INCREASE/(DECREASE) IN CASH BEGINNING CASH ENDING CASH BALANCE *	79,519,381 10,381,262 89,900,643

*NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET

Cenpatico Integrated Care STATEMENT OF CASH FLOWS CONTRACT YEAR TO DATE AS OF: Schedule A Disclosure

December 31, 2015

Sources and amounts of cash received for other grants.
Underlying transactions for acquisition of debt.
(Debtor, amount, purpose of loan, term, interest rate of debt acquired)
Underlying transactions for retirement of debt. (Debtor, amount paid off.)
4. Cash Flows From Financing Activities - Payment of Other Debt

5. Supplemental data or non-cash investing and financing activities, gifts, etc.